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SENATE BILL 8004 By
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HOUSE BILL 6 of the Second Extraordinary Session
By Sharp

AN ACT to amend Tennessee Code Annotated, Title 67 and Title 71, relative to imposing sales tax on certain TennCare uninsured/uninsurables for prescription drugs or medicine, including insulin.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-312, is amended by deleting the word "There" at the beginning of the section, and by substituting instead the language "Except as provided in Section 4 of this act, there".

SECTION 2. Tennessee Code Annotated, Section 67-6-320(a), (b) and (c), are amended by deleting the word "There" at the beginning of each subsection, and by substituting instead the language "Except as provided in Section 4 of this act, there".

SECTION 3. Tennessee Code Annotated, Section 67-6-203(a), is amended by deleting the word "A" at the beginning of the subsection and by substituting instead the language "Except as provided in subsection (d), a":

SECTION 4. Tennessee Code Annotated, Section 67-6-203, is amended by adding the following language as a new subsection (d):

(d) Notwithstanding any other provision of this chapter to the contrary, a flat tax at the rate of five dollars (\$5.00) is imposed on each prescription drug or medicine, including insulin, issued by a licensed pharmacist in accordance with an individual prescription written by a practitioner of the healing arts for the use of a person insured under the TennCare program due to such person's status as uninsured or uninsurable

and whose income is above the federal poverty level. Such tax shall be collected by the pharmacist at the time the prescription drug or medicine, or insulin, is dispensed to the uninsured or uninsurable TennCare recipient as indicated on the TennCare card issued in accordance with Section 5 of this act.

SECTION 5. Tennessee Code Annotated, Title 71, Chapter 5, Part 1, is amended by adding the following language as a new, appropriately designated section:

Section _____. The bureau of TennCare shall design TennCare cards issued to persons enrolled in the TennCare Program to designate those who are Medicaid eligible or dual eligible, including those who are eligible as uninsured or uninsurable persons whose income is below the federal poverty level, from those who are eligible as uninsured or uninsurable persons whose income is above the federal poverty level.

SECTION 6. For purposes of designing and distributing TennCare cards as required pursuant to Section 5, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect March 1, 2000, the public welfare requiring it.